



# County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA  
Chief Executive Officer

January 29, 2013

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The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

## **RECOMMENDATION TO ESTABLISH A WORKPLACE PROGRAMS TRUST FUND ACCOUNT (ALL DISTRICTS) (3 VOTES)**

### **SUBJECT**

The recommended action will establish a Workplace Programs Trust Fund Account to deposit all Workplace Program Funds in the County.

### **IT IS RECOMMENDED THAT THE BOARD:**

1. Instruct the Auditor-Controller to establish a new Workplace Programs Trust Fund Account to account for the County's Volunteer Program, Merchandising, Marketing, annual Workplace Giving Campaigns and sales tax, and to process approved payments from the Trust Fund to the designated charitable organizations and promotional partners; and
2. Approve the attached "Office of Workplace Programs Workplace Giving Policy/Guidelines reviewed and concurred by the Auditor-Controller and Treasurer and Tax Collector.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The Chief Executive Office (CEO), Office of Workplace Programs (WPP) administers several countywide programs, including the County Volunteer Program, the March of Dimes and Charitable Giving Campaigns, Merchandising, Marketing, Employee Commute Reduction Program and Employee Discounts Program. WPP coordinates the submission of entries by County departments to the annual awards competition sponsored by the National Association of Counties and California State Association of Counties and implements other special projects on behalf of the Board of Supervisors, such as Cesar Chavez Community

*"To Enrich Lives Through Effective And Caring Service"*

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Service Week. WPP also coordinates Board-approved fundraising efforts for natural disaster victims which was done most recently for Katrina and Tsunami victims.

### **Board Policy**

Board Policy number 9.100, Volunteer Program Policy, establishes the County's Volunteer Program that encourages residents, County employees and County retirees to volunteer their time and talents to public service programs. Administration of the County's Volunteer Program is decentralized and the departmental volunteer programs vary considerably in size, scope, services, complexity and practice. WPP provides countywide direction, coordination and support of departmental volunteer programs. Each year, the Chief Executive Office budgets \$35,000 for the "Volunteer of the Year Recognition and Awards Ceremony" which is coordinated by WPP.

Board Policy number 3.010 establishes the County's Workplace Charitable Giving Standards. The mission is to support local nonprofit charitable organizations which provide a broad range of health and human care services to residents of Los Angeles County which reflect the cultural and ethnic diversity of the region, and the underserved areas impacting the status of men, women, and children.

### **Workplace Giving Campaigns**

The County annually conducts a voluntary, employee-driven March of Dimes (MOD) Campaign and a Charitable Giving Campaign (CGC) to comply with Board Policy 3.010. These campaigns combined raise over \$1 million per year on average. In 2011, the MOD and CGC raised approximately \$335,000 and \$1.1 million, respectively. There are five Board-approved Fund Distribution Agencies (FDAs) for the CGC: Asian Pacific Community Fund, Brotherhood Crusade, EarthShare California, the United Latino Fund, and United Way of Greater Los Angeles.

WPP coordinates Board-approved charitable giving programs in accordance with Board Policy. The CGC includes payroll deductions and direct contributions; MOD includes direct contributions only. The MOD campaign includes the purchase and selling of T-shirts that requires sales tax to be charged and remitted to the State Board of Equalization. For both campaigns, WPP and departments develop themed events that offer special discounts to County employees which includes a nominal mark-up fee for the CGC or MOD. Some of these special discounts include activities in the arts and entertainment, family-friendly outings and professional sports events.

For some of these events, such as Disneyland Twilight Tickets, WPP receives a group discount rate on Disneyland tickets, adds a nominal mark-up for the CGC or MOD, and offers tickets for sale to County employees and departmental MOD/CGC coordinators. WPP works closely with departmental MOD/CGC coordinators to raise funds for both campaigns.

The CGC and MOD Program Manuals require departments and WPP to record and reconcile the funds they receive consistent with County Fiscal Manual procedures and best management practices.

County employees can either purchase discounted tickets from their departmental CGC/MOD coordinators, or purchase them directly from WPP. Board policy allows departments to coordinate their own fundraisers for CGC and MOD as long as the activities used to raise funds are not prohibited. For example, the following fundraising efforts are prohibited as part of the countywide CGC or MOD campaigns: outside vendor sales; turn-around bus trips; casino nights; day at the races; or other gambling activities. In addition, WPP strongly encourages departments to coordinate events that do not include the need to purchase items because departments are prohibited from using the County's name or Tax Identification Number to establish or maintain a bank account associated with charitable giving activities.

Departments are required to deposit all funds raised for MOD and CGC with WPP in a timely manner, including themed events and departmental workplace giving events. WPP provides coordinators and/or employees receipts for cash and checks, conducts daily reconciliation of funds received, and deposits the funds into WPP's checking account. This requires a daily trip to the bank by WPP staff to ensure timely depositing of funds and the proper recording of transactions.

### **Departmental Roles and Responsibilities**

Consistent with the proposed WPP Trust Fund, all WPP Funds (Volunteer Program, Merchandising, Marketing and Workplace Giving) will be deposited with the Treasurer and Tax Collector (T&TC) by WPP on a daily basis consistent with County Fiscal Manual procedures. Except for the daily deposits, the Auditor-Controller (A-C) will handle fiscal responsibilities related to the WPP Trust Fund. Such activities include distributions to charitable organizations via trust fund warrants, accounting adjustments and transfers, and trust fund reconciliation. Vendor codes will be established to facilitate payments to authorized charities used by WPP. Managerial and fiscal oversight responsibilities are otherwise with the CEO.

WPP purchases services, supplies, merchandise and tickets to support its mission and related activities. Purchases are required to comply with CEO departmental policies and procedures and are subject to CEO approval. Purchases for these services, supplies, merchandise and tickets are to be expended against available appropriations in the County Budget. Such expenditures are to be funded with workplace giving or Board-allocated funds.

WPP is required to collect sales tax for taxable items sold as part of the Workplace Giving Campaigns and County logo merchandise. WPP is also responsible for depositing and

reporting the appropriate sales tax amount as directed by A-C. A-C will remit the sales tax amount to the State Board of Equalization.

CEO, A-C and T&TC will meet as necessary to ensure the appropriate sales tax amount is remitted to the State Board of Equalization and to coordinate the collection and reconciliation of all WPP funds consistent with County Fiscal Manual procedures and best management practices to ensure these funds are distributed to the designated charitable organizations in a timely manner.

### **Workplace Programs Trust Fund**

The recommended action will add needed safeguards to the Workplace Giving Campaigns by creating a WPP Trust Fund Account to deposit all cash and checks received for the campaigns. This would eliminate the need for WPP to maintain a bank account under an employee's name for workplace giving and eliminate the need for WPP staff to make daily trips to the bank for deposit.

Instead, WPP would remit all WPP Funds to T&TC which reduces liability. All cash and checks received for any future Board-approved fundraising efforts for natural disaster victims would also be deposited into the WPP Trust Fund. Upon approval by the Board of Supervisors, WPP will transfer all remaining WPP Funds from the checking account to the WPP Trust Fund and close the checking account.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The County Strategic Plan Goal of Operational Effectiveness (Goal 1) directs that we maximize the effectiveness of processes, structure, and operations to support timely delivery of customer-oriented and efficient public services. The Board's adoption of the recommendation to establish a WPP Trust Fund is consistent with this goal by improving the Workplace Giving Campaign process and safeguarding charitable giving funds in the County.

### **FISCAL IMPACT/FINANCING**

This action will have no measureable direct fiscal impact on the County. It will require a limited increase in the use of staff time for Trust Fund reconciliation and processing deposits to and payments from the Trust Fund.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The creation of the WPP Trust Fund will require the County to comply with all legal requirements related to trust funds generally, requirements for charitable giving funds specifically, and sales tax requirements. The Board of Supervisors is authorized to raise

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funds for charitable organizations during work hours pursuant to Senate Bill 1256 (Watson) of 1991 as part of a specific workplace giving program.

County Counsel has determined that T&TC is authorized to accept WPP Funds from WPP for deposit to the Trust Fund pursuant to Government Code Sections 27000 and 27002.

**ENVIRONMENTAL IMPACT**

There is no known environmental impact of the proposed recommendation.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of the recommendation will require close coordination between CEO, A-C and T&TC to ensure the proper reconciliation and distribution of all WPP Funds.

**CONCLUSION**

It is requested that the Executive Officer-Clerk of the Board, return three copies of the Minute Order and the adopted stamped Board letter to the CEO, Office of WPP, 500 W. Temple Street, B-1, Los Angeles, CA 90012.

Respectfully submitted,



WILLIAM T FUJIOKA  
Chief Executive Officer  
WTF:EFS:MKZ  
EW:mr

Attachment

c: Executive Office, Board of Supervisors  
Auditor-Controller  
County Counsel  
Treasurer and Tax Collector

**LOS ANGELES COUNTY CHIEF EXECUTIVE OFFICE  
OFFICE OF WORKPLACE PROGRAMS  
WORKPLACE GIVING POLICY/GUIDELINES  
January 29, 2013**

**PURPOSE**

The Office of Workplace Programs (WPP) coordinates Board approved workplace giving and volunteer recognition programs in accordance with Board of Supervisors' Policy Numbers 3.010 and 9.100. This document is intended to establish and formalize controls for workplace giving campaigns, as well as identify the limited responsibilities of the Auditor-Controller's Shared Services Division and the Treasurer and Tax Collector (TTC). The procedures identified herein are based on relevant elements of the County Fiscal Manual, and are intended to supplement the Workplace Giving Manuals, departmental policies and best business practices pertaining to workplace giving campaigns.

**PROCEDURES**

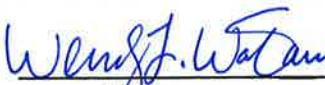
1. Use of the County's Tax Identification Number: Under **no** circumstances may a department use the County's name or Tax Identification Number to establish or maintain a bank account for workplace giving purposes. Any existing accounts using the County's name or Tax Identification Number must be **immediately** closed.
2. Campaigns and Proceeds: All WPP event proceeds must be remitted to WPP and may only be used for the benefit of the campaign. Other than incidental/de minimis items (e.g. t-shirts, admission to an awards luncheon, etc.) employees may not personally benefit, either directly or indirectly, from participating in WPP events or fundraisers.
3. Campaign Events: Board Policy Number 3.010 authorizes departments to implement workplace giving campaigns outside those organized by WPP. However, the policy also identifies specific criteria which charities must meet in order to qualify. **Only** workplace charitable giving activities with qualifying charities (which do not include departmental holiday parties, teambuilding activities, retirement events, etc.) are covered under the Board policy, which also authorizes the use of staff time.
4. Collections: WPP and departments must maintain accurate records of all WPP collections and transactions, including the source and purpose of any funds received and deposited. WPP will deposit collections with the TTC daily; departmental WPP collections of less than \$500 may be deposited (with WPP) weekly. Collections must be secured (locked-up), and access restricted to as few authorized persons as possible. Funds may not be withheld to purchase items or fund other campaign activities/fund raisers.


5. WPP Check/Transfers: Checks made payable to a specific charity will not be deposited with the TTC, but instead retained by WPP. Checks totaling more than \$500 to a specific charity must be retrieved by the charity weekly. Checks totaling less than \$500 must be retrieved by the charity monthly. WPP will maintain sufficient records to document the transfer of all checks to the respective charities.
6. WPP Purchases: WPP purchases services, supplies, merchandise and tickets to support its mission and related activities. Purchases must comply with CEO departmental policies and procedures, are subject to CEO approval, and are to be expended against available appropriations in the County Budget. Such expenditures will be funded by workplace giving or Board allocated funds. Sufficient funds must be available before a purchase is authorized.
7. Disbursement of Workplace Giving Proceeds: At the conclusion of each workplace giving campaign, WPP will work with departments to reconcile merchandise inventories and campaign proceeds. WPP will complete a closing reconciliation and prepare check requests to disburse the campaign's proceeds to the appropriate charities.
8. Shared Services: Shared Services will be responsible for processing approved payments to charitable organizations from WPP's trust fund and reconciling the trust fund. Vendor codes will be established to facilitate payments to authorized charities used by WPP. As discussed in Item 6 above, payments to vendors shall be made from appropriated funds and are not to be disbursed directly from the WPP trust fund. Managerial and fiscal oversight responsibilities are otherwise with the Chief Executive Office.
9. Treasurer and Tax Collector (TTC): TTC will be responsible for accepting and depositing funds received from WPP and will provide final approval to the related deposit permit, as completed by WPP, in eCAPS. WPP deposits will be made daily on the 1<sup>st</sup> floor of the Hall of Administration. Funds remitted to TTC will be supported with balanced reconciliations and not include checks made payable to a charity. TTC will provide WPP staff a receipt for the funds received.
10. Non-Sufficient Funds: TTC will provide WPP with Non-Sufficient Funds (NSF) Notifications in a timely manner. WPP will be responsible for recovering monies owed by employees for NSF's including the TTC's NSF Fees.

Approved & Date

  
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William T. Fujioaka  
Chief Executive Officer

Reviewed, Concurred & Date

  
\_\_\_\_\_  
Wendy L. Watanabe  
Auditor-Controller

  
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Mark J. Saladino  
Treasurer and Tax Collector